

**Draft Version – Minutes of Second Injury Fund Advisory Board
Wednesday, June 22, 2016 Meeting
Final Version of these minutes will be posted after approval by
The Advisory Board at the next meeting to be held November 2016**

**Office of the Treasurer
Second Injury Fund
Advisory Board
June 22, 2016**

Present: State Representative Peter Tercyak, Co-Chair Labor and Public Employees
Committee
Clifford G. Leach, The Hartford Financial Services Group, Inc.
Eric Gjede, Connecticut Business and Industry Association
Kathleen Cooper, Greater Hartford Chapter of the Coalition of Black Trade
Unionists
Joe McFetridge, Eversource Energy

For the Fund: Maria M. Greenslade, Assistant Deputy Treasurer
Hank Gaffney, Claims Manager
Gloria G. Williams, Controller
Jim Eatherton, Supervising Special Investigator
Tammy Leach – (representing Amber Bassett, Executive Secretary)

Meeting was called to order at 11:10 and was held by teleconference.

1. **Welcome/Roll Call:** Ms. Greenslade introduced members of the Fund who were present on the call, introduced all Board members who joined the call and welcomed everyone to the Advisory Board meeting. Based on board members' request, Ms. Greenslade chaired the meeting due to a last minute scheduling conflict for Ms. Pelletier.
2. **Adoption of Minutes:** Ms. Greenslade invited adoption of the November 2015 meeting minutes which were included in the Agenda packet. Ms. Cooper moved to adopt the minutes, Mr. McFetridge seconded the motion. There was no discussion and the minutes were unanimously adopted.
3. **Update on Operation of the Fund:** Ms. Greenslade asked Ms. Williams to present an update on the Financial Operation of the Fund. Ms. Williams summarized the Fund's financial statement for the fiscal year ending June 30, 2015 which were published in December 2015. There were no changes to the financial statements since the November 2015 meeting.

Total Operating Revenues during FY2015 were \$41 million. Ms. Williams stated that Total Operating Expenses for FY2015 were \$36 million; almost \$3 million lower than the prior fiscal year.

As of May 31, 2016 (FY2016) the Fund is reporting \$41 million in revenues, which is flat compared to prior fiscal years. Operating expenses are running approximately \$1 million below FY2015 expenses. There were no questions regarding the financial operation of the Fund.

Ms. Greenslade asked Mr. Gaffney to update the Board on the Claims Unit. Mr. Gaffney reported the Claims Unit combined payout for Fiscal Year ending June 30, 2016 is estimated at \$27 million, which is 5% below payout from the prior fiscal year. He indicated that indemnity, medical and reimbursement payments were all about 7% lower than last year, and that settlement payments were slightly higher than last year.

Mr. Gaffney reported the continued reduction in the Fund's unfunded liability estimates over the past twelve months to its current level of \$360 million. He also reported a 3% reduction in the number of open claims since last year. Lastly, he reported that 75% of new SIF claims over the past year were concurrent employment reimbursement claims while the remaining new claims, with the exception of a handful of COLA claims, were uninsured employer claims. There were no questions regarding the Claims Unit.

Ms. Greenslade updated the Board on the computer upgrade. She stated the claims module of the computer system was implemented on January 19, 2016. Staff has adapted well to the new system. The Office of the Attorney General's Workers' Compensation Unit was trained and has access to the new system. She commended the SIF staff for all their hard work in designing, testing, and implementing the new computer system.

Ms. Greenslade reported that external customers will be able to file remittances online in the near future. It will take an additional year to implement this segment due to the work that must be completed through the State's financial system (CORE-CT). Ms. Greenslade added the Fund's vision includes giving the Workers' Compensation Commission access to the new system to read claim files; and eventually sending medical bills electronically to the Fund's vendor eliminating the need to mail paper bills. There were no further questions or comments regarding the computer upgrade.

4. **Legislative Update:** Ms. Greenslade indicated that in 2016 the Fund did not submit proposed legislation. However, the Fund followed all legislation that appeared to have a financial impact on the Fund. Ms. Greenslade called on Mr. Gaffney for an update.

Mr. Gaffney indicated that there were no bills passed during the 2016 legislative session that had any meaningful financial impact to the Second Injury Fund. He did advise the Advisory Board Members of the passage of PA No. 16-10, known as the Firefighters Cancer Relief Program, which requires the State Treasurer's Office to administer benefits to eligible firefighters. He brought this to the Board's attention in order to assure them this legislation has no financial impact to the Second Injury Fund, as it will be funded

through a monthly subscriber fee assessed by the Public Utilities Regulatory Authority on phone service. Representative Tercyak gave a brief summary of the bill and its passage.

5. Other Business:

- a.** Review of Board Protocol – Ms. Greenslade asked board members to review the current protocols and send proposed changes to her attention by September. In October, draft protocols will be mailed to members for review and potential action at the November 2016 meeting.
- b.** Treasurer's Assessment letter was attached to the Agenda. Once again the Treasurer announced she was maintaining assessment rates at current levels. Ms. Greenslade indicated that the Board has, on numerous occasions, stressed the importance of maintaining stable assessment rates without significant fluctuations. Maintaining consistency and predictability for businesses is of utmost importance to the Board, the Fund and the Treasurer.
- c.** Annual Report – Ms. Greenslade stated that a draft cover letter and annual report on the financial condition of the Fund was transmitted to the Treasurer for review. Once the Treasurer approves the documents the Advisory Board members will receive a copy of the report.
- d.** Ms. Greenslade announced today's board meeting is Mr. McFetridge's last meeting due to his retirement from Eversource effective June 30, 2016. Eversource will continue to be an Advisory Board member represented by MaryLynn Pelletier. Ms. Greenslade thanked Mr. McFetridge for his commitment, enthusiasm and willingness to always assist the Fund, and wished him well during his retirement.
- e.** Next meeting will be held on November 16, 2016.

Ms. Greenslade asked members if there was any further business; hearing none, Ms. Greenslade asked for a motion to adjourn the meeting. Mr. McFetridge moved to adjourn the meeting; Ms. Cooper seconded the motion. Motion passed unanimously.

Meeting adjourned at 11:30 AM.